



BILLING CODE: 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-570-104]**

**Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China:**

**Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that Alloy and Certain Carbon Steel Threaded Rod (ACSTR) from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2018 through December 31, 2018. Interested parties are invited to comment on this preliminary determination.

**DATES:** Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**FOR FURTHER INFORMATION CONTACT:** Joshua Poole or Andre Gziryan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1293 or (202) 482-2201, respectively.

**SUPPLEMENTARY INFORMATION:**

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff

Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on March 19, 2019.<sup>1</sup> On June 14, 2019, Commerce postponed the preliminary determination of this investigation and the revised deadline is now September 19, 2019.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>3</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Scope of the Investigation

The product covered by this investigation is ACSTR from China. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

In accordance with the preamble to Commerce's regulations,<sup>4</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> Certain

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<sup>1</sup> *See Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 10034 (March 19, 2019) (*Initiation Notice*).

<sup>2</sup> *See Carbon and Alloy Steel Threaded Rod From India, Taiwan, and the People's Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 84 FR 27764 (June 14, 2019).

<sup>3</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less Than Fair Value Investigation of Alloy Steel Threaded Rod from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>4</sup> *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>5</sup> *See Initiation Notice*.

interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.<sup>6</sup> The scope case briefs were due on August 28, 2019, 30 days after the publication of *CASTR from China Preliminary CVD Determination*.<sup>7</sup> There will be no further opportunity for comments on scope-related issues.<sup>8</sup>

Because there is an existing antidumping duty (AD) order on carbon steel threaded rod from China, on September 3, 2019, the petitioner clarified for the record that with respect to ACSTR from the China AD investigation only, the products covered are alloy and certain steel threaded rod. Accordingly, we consulted with the petitioner to revise the scope of the China AD Investigation to reflect the petitioner's intent concerning the products that should be covered. We provided all interested parties an opportunity to comment on the revised scope.<sup>9</sup> No parties commented on the proposed revised scope with respect to the China AD investigation only.

Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. *See* the revised scope in Appendix I to this notice.

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<sup>6</sup> *See* Memorandum, "Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated July 22, 2019 (Preliminary Scope Decision Memorandum).

<sup>7</sup> The scope case briefs were due 30 days after the publication of *Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 36578 (July 29, 2019) (*CASTR from China Preliminary CVD Determination*). *See* the Preliminary Scope Decision Memorandum at 3. The deadline for the scope case briefs was Wednesday, August 28, 2019. Because the deadline for rebuttal briefs fell on Monday, September 2, 2019, a Federal holiday, the actual deadline for the scope rebuttal briefs was Tuesday, September 3, 2019. *See* 19 CFR 351.303(b)(1) ("For both electronically filed and manually filed documents, if the applicable due date falls on a non-business day, the Secretary will accept documents that are filed on the next business day.").

<sup>8</sup> Parties were already permitted the opportunity to file scope case briefs. Case briefs, other written comments, and rebuttal briefs should not include scope-related issues. *See* Preliminary Scope Decision Memorandum at 3.

<sup>9</sup> *See* Memorandum, "Phone Conversation with counsel for Vulcan Threaded Products Inc.," dated September 6, 2019 (Proposed Revised Scope Memo).

## Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act. Because China is a non-market economy, within the meaning of section 771(18) of the Act, Commerce has calculated normal value (NV) in accordance with section 773(c) of the Act. In addition, pursuant to section 776(a) and (b) of the Act, Commerce has relied on facts otherwise available, with adverse inferences, for the China-wide entity. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

## Combination Rates

In the *Initiation Notice*,<sup>10</sup> Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.<sup>11</sup> In this investigation, we calculated producer/exporter combination rates for respondents eligible for separate rates.

## Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

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<sup>10</sup> *See Initiation Notice* at 10038.

<sup>11</sup> *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

<b>Exporter</b>	<b>Producer</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>	<b>Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)</b>
Ningbo Zhongjiang High Strength Bolts Co., Ltd.	Ningbo Zhongjiang High Strength Bolts Co., Ltd.	27.07	16.53
Zhejiang Junyue Standard Part Co., Ltd.	Zhejiang Junyue Standard Part Co., Ltd.	4.81	0.00
Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Cooper & Turner Fasteners Co Ltd.	21.04	10.50
Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	21.04	10.50
Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Huiyou Import & Export Co., Ltd.	21.04	10.50
EC International (Nantong) Co., Ltd.	Ningbo Zhongjiang High Strength Bolts Co., Ltd.	21.04	10.50
EC International (Nantong) Co., Ltd.	Ningbo Zhenghai Yongding Fasteners Manufacture Co., LTD	21.04	10.50
EC International (Nantong) Co., Ltd.	Zhejiang Junyue Standard Part Co., Ltd.	21.04	10.50
EC International (Nantong) Co., Ltd.	Haiyan Qinshan Rubber Factory	21.04	10.50
IFI & Morgan Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	21.04	10.50
Jiaxing Genteel Import & Export Co., Ltd.	Ningbo Zhenhai Zhongbiao Standard Parts Factory	21.04	10.50

Ningbo Dingtuo Imp. & Exp. Co., Ltd.	Ningbo Jinding Fastening Piece Co., Ltd.	21.04	10.50
Zhejiang Heiter Mfg & Trade Co., Ltd.	Zhejiang Golden Automotive Fastener Co., Ltd.	21.04	10.50
Ningbo Jinding Fastening Piece Co., Ltd.	Ningbo Jinding Fastening Piece Co., Ltd.	21.04	10.50
Ningbo Qunli Fastener Manufacture Co., Ltd.	Ningbo Qunli Fastener Manufacture Co., Ltd.	21.04	10.50
Nantong Runyou Metal Products Co., Ltd.	Nantong Runyou Metal Products Co., Ltd.	21.04	10.50
Ningbo Shareway Import & Export, Co., Ltd.	Zhejiang Junyue Standard Parts Co., Ltd.	21.04	10.50
Ningbo Xingsheng Oil Pipe Fittings Manufacture Co., Ltd.	Ningbo Xingsheng Oil Pipe Fittings Manufacture Co., Ltd.	21.04	10.50
Ningbo Zhenghai Yongding Fastener Co., Ltd.	Ningbo Zhenghai Yongding Fastener Co., Ltd.	21.04	10.50
RMB Fasteners Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	21.04	10.50
Zhejiang Morgan Brother Technology Co., Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	21.04	10.50
China-Wide Entity <sup>12</sup>		59.45	48.91

<sup>12</sup> Commerce preliminarily determined that Jiaxing Xingcheng Electronics Co., Ltd., Ningbo Panxiang Imp & Exp Co., Ltd., Ningbo Zhonglian Fastener Co., Ltd., and Ningbo Zhong Xin Angora Spinning Mill failed to establish their eligibility for a separate rate and, therefore, preliminarily determined that these companies are part of the China-wide entity. See Preliminary Decision Memorandum.

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, Commerce has made a preliminary affirmative determination for an export subsidy adjustment, however, Commerce has not made a preliminary affirmative determination for a domestic subsidy pass-through adjustment in this investigation.<sup>13</sup>

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<sup>13</sup> See sections, “Adjustment Under Section 777A of the Act” and “Adjustment to Cash Deposit Rate for Export

Commerce has offset the calculated estimated weighted-average dumping margin by the appropriate rate. Any such adjusted rates may be found in the chart of estimated weighted-average dumping margins in the Preliminary Determination Section above.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, Commerce will direct CBP to begin collecting cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in this preliminary determination unadjusted for the export subsidies at the time the CVD provisional measures expire.

These suspension of liquidation instructions will remain in effect until further notice.

#### Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register*, accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

#### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last final verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case



briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>14</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. Pursuant to 19 CFR 351.210(e)(2), Commerce requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six

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<sup>14</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

months in duration.

On August 2, 2019 and August 8, 2019 respectively, pursuant to 19 CFR 351.210(e), Zhejiang Junyue Standard Part Co., Ltd. and Ningbo Zhongjiang High Strength Bolts Co., Ltd. requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.<sup>15</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce's final determination will be issued no later than 135 days after the date of publication of this preliminary determination.

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

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<sup>15</sup> See Zhejiang Junyue Standard Part Co., Ltd.'s Letter, "Carbon and Alloy Steel Threaded Rod from the People's Republic of China - Request for Extension of Final Determination and Provisional Measures," dated August 2, 2019.; *see also* Ningbo Zhongjiang High Strength Bolts Co., Ltd.'s Letter, "Zhongjiang Request for Postponement of Final Determination and Extension of Provisional Measures Period in the Antidumping Duty Investigation on Alloy Steel Threaded Rod from the People's Republic of China (A-570-104)," dated August 8, 2019.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: September 19, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by the scope of this investigation is alloy and certain carbon steel threaded rod. Alloy and certain carbon steel threaded rod are certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Alloy and certain carbon steel threaded rod are normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the alloy and certain carbon steel threaded rod, bar, or studs subject to this investigation are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Alloy Steel threaded rod is normally produced to American Society for Testing and Materials (ASTM) specifications A193 B7/B7m, A193 B16, A320 L7/L7m, A320 L43, A354 BC and BD, and F1554 Grade 105. Other specifications are Society of Automotive Engineers (SAE) specification 1429 grades 5 and 8, International Organization for Standardization (ISO) specification 898 class 8.8 and 10.9, and American Petroleum Institute (API) specification 20E. Certain carbon steel threaded rod is normally produced to ASTM specification A449. All steel threaded rod meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the threaded rod.

Alloy and certain carbon steel threaded rod are also included in the scope of this investigation whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of this investigation are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on Certain Steel Threaded Rod from the People's Republic of China. See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order, 74 FR 17154 (April 14, 2009).

Specifically excluded from the scope of this investigation is threaded rod that is imported as part of a package of hardware in conjunction with a ready-to-assemble piece of furniture.

Alloy and certain carbon steel threaded rod are currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Scope of the Investigation
- VI. Product Characteristics
- VII. Selection of Respondents
- VIII. Discussion of the Methodology
- IX. Adjustment Under Section 777(A)(f) of the Act
- X. Adjustment to Cash Deposit Rate for Export Subsidies
- XI. Recommendation

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